

TKW SUPPLY CHAIN INTERNATIONAL LIMITED

EMPLOYEE STOCK OPTION PLAN 2024

“TKWs ESOP 2024” or “ESOP Scheme”

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1. Name, Objective and Term of the Plan

- 1.1 This Plan shall be called “TKW Supply Chain International Limited Employee Stock Option Plan 2024” or “TKWs ESOP 2024” or “ESOP Scheme”.
- 1.2 The objective of **TKWs ESOP 2024** is to provide an incentive to attract, retain and reward Employees performing services for the Company and motivating such Employees to contribute to the growth and profitability of the Company.
- 1.3 The ESOP Scheme has been adopted by the Board following a resolution passed at a meeting of the Board held on September 25, 2024 and a resolution passed at a general meeting of the Company held on September 26, 2024 wherein the Shareholders have authorized the Board to issue to the Employees, such number of Options under the ESOP Scheme. This Plan shall continue to be in force until the date on which all of the options available for issuance as per the approval granted by the shareholders have been vested and exercised.
- 1.4 The Board/ Shareholders may, subject to compliance with Applicable Laws, at any time alter, amend, suspend or terminate ESOP Scheme.

2. Definitions and Interpretation

2.1 Definitions

The terms defined in this ESOP Scheme shall have the meanings herein specified and terms not defined in this ESOP Scheme shall have the meanings as defined in the Companies Act, 2013, or other applicable law, or in any statutory modifications or re-enactments thereof, as the case may be.

- i. “**Applicable Law**” means and includes all statutes, law, enactments, acts of legislature or parliament, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders, approval of any Governmental Authority requirement or other governmental restrictions or any similar form of decision of, or determination by, or any interpretation, policy or administration, having the force of law of any of the foregoing, of any government, statutory authority, tribunal, board, court having jurisdiction over the matter in question, whether in effect as of the Effective Date or thereafter, or any recognized stock exchange(s) on which the Shares may be listed.
- ii. “**Board**” means the Board of Directors of the Company.
- iii. “**Companies Act**” means the Companies Act, 2013, any rules framed, notifications or circulars issued thereunder and includes any statutory modifications or re-enactments thereof.
- iv. “**Company**” means TKW Supply Chain International Limited.
- v. “**Director**” means a member of the Board of the Company.
- vi. “**Eligibility Criteria**” means the criteria as may be determined from time to time by the Board for granting the Employee Stock Options to the Employees in compliance with provisions of Companies Act, 2013 and read with thereunder.
- vii. “**Employee**” means, –
- a) a permanent employee of the company who has been working in India or outside India; or
 - b) a director of the Company, whether a whole-time director or not but excluding an independent director; or
 - c) an employee as defined in clauses (a) or (b) of a subsidiary, in India or outside India, or

- of a holding company of the company
but does not include –
- (a) an employee who is a promoter or a person belonging to the promoter group; or
 - (b) independent director; or
 - (b) a director who either himself or through his relative or through any-body corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the Company;
- viii. **“Employee Stock Option” or “Option(s)”** means the option granted to an Employee, which gives such Employee the right to purchase or subscribe at a future date the Shares offered by the Company, directly or indirectly, at a pre- determined price.
 - ix. **“Exercise”** means making of an application by the Employee to the Company for issue of Shares against the option vested in him in terms of ESOP.
 - x. **“Exercise Period”** means such time period after vesting within which the Employee should exercise the options vested in him in pursuance of ESOP.
 - xi. **“Exercise Price”** means the price payable by an Employee for exercising the Option granted to him in pursuance of ESOP.
 - xii. **“Grant”** means issue of Options to the Employees under ESOP Scheme.
 - xiii. **“Independent Director”** shall have the same meaning assigned to it in the Companies Act.
 - xiv. **“Code”** shall mean the Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons of the Company, as amended from time to time.
 - xv. **“Option Grantee”** means an Employee who has been granted Options and thus having a right but not an obligation to exercise an Employee Stock Option in pursuance of ESOP Scheme.
 - xvi. **“Permanent Incapacity”** means any disability of whatsoever nature - be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined by the Board based on a certificate of a medical expert identified by Board.
 - xvii. **“Promoter”** shall have the meaning assigned to it under the Companies Act, 2013 or any modification thereof;
 - xviii. **“Promoter Group”** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof; provided where the promoter or promoter group of a company is a body corporate, the promoters of that body corporate shall also be deemed to be promoters of such company.
 - xix. **“Recognized Stock Exchange”** means any stock exchange in India on which the Company’s Shares are to be listed.
 - xx. **“Register”** means the register of Option Grantees maintained by the Company.
 - xxi. **“Retirement”** means retirement of Employee as per the rules of the Company.
 - xxii. **“Scheme / Plan / ESOP”** means this Employee Stock Option Plan under which the Company is authorized to grant Employee Stock Options to the Employees.
 - xxiii. **“SEBI Act”** means the Securities & Exchange Board of India Act, 1992 as amended, and includes all regulations and clarifications issued there under.
 - xxiv. **“Shares”** means equity shares of the Company arising out of the exercise of Employee Stock Options granted under the ESOP.
 - xxv. **“Vesting”** means the process by which the Employee is given the right to apply for Shares of the Company against the options granted to him in pursuance of the ESOP.
 - xxvi. **“Vesting Period”** means the period during which the Employee Stock Option granted shall vest in the Employee, in pursuance of the ESOP takes place.

xxvii. “**Vested Option**” means an Option in respect of which the relevant Vesting conditions have been satisfied and the Option Grantee has become eligible to exercise the Option.

xxviii. “**Unvested Option**” means an Option in respect of which the vesting period has not lapsed and relevant Vesting conditions have not been satisfied and as such, the Option Grantee has not become eligible to exercise the Option.

2.2 Interpretation

In this Plan, unless the contrary intention appears:

- i. The clause headings are inserted for ease of reference only and are not intended to be part of or to affect the meaning or interpretation;
- ii. A reference to a clause number includes a reference to its sub-clauses;
- iii. Words in singular include the plural and vice versa;
- iv. Words importing a gender include the other gender;
- v. A reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference.

Words and expressions used and not defined herein but defined in the Companies Act, 2013 or any other applicable legislations, rules, regulations made thereunder and any statutory modification or re-enactment thereto, shall have the meanings respectively assigned to them in those legislations.

3. Authority and Ceiling

3.1.1 Subject to the approval of shareholders, the Board shall grant not exceeding 8,70,000 (Eight Lakh Seventy Thousand) Options to the employees under the TKWs ESOP 2024, in one or more tranches convertible into 8,70,000 (Eight Lakh Seventy Thousand) equity shares of face value of Rs. 10/- each at such price or prices, and on such terms and conditions, as may be determined by the Board or in accordance with the provisions of TKWs ESOP 2024 and in due compliance with the applicable laws, rules and regulations

3.2 The maximum number of options that may be granted to any one/specific Employee under the ESOP shall not exceed 35,000 or as may be decided by the board from time to time.

3.3 The maximum number of options that may be granted to any one of the identified Employee(s), during a financial year, shall not equal to or exceed one percent of the issued capital of the Company at the time of grant of these options, unless a prior specific approval is obtained from the shareholders of the Company.

3.4 In case of any corporate action(s) such as rights issues, bonus issues, merger, stock split/consolidation, sale of division and others, the Board shall make accordingly fair and reasonable adjustment to the entitlement including adjustment to the number of options granted (vested and unvested) or outstanding options available for grant and /or in the price, vesting period and the life of options, as the case may be, as per the applicable laws and this Plan.

3.5 If Options expire or become un-exercisable without having been exercised in full, such options, which were subject thereto, would be available to the Board for being re-granted at a future date.

4. Administration

4.1 The ESOP shall be administered by the Board. All questions of interpretation of the ESOP or any Employee Stock Option shall be determined by the Board and such determination shall be final and binding upon all persons having an interest in the ESOP.

4.2 The Board shall in accordance with this Plan and Applicable Laws determine, including but not limited to, the following for each grant:

- i. The quantum of Employee Stock Options to be granted under the ESOP to each Employee, subject to the ceiling as specified in Clause 3;
- ii. The Eligibility Criteria;
- iii. The exercise price;
- iv. The exercise period;
- v. The vesting period;
- vi. Right of an eligible employee to exercise all options vested in him / her at one time or at various points of time within the exercise period
- vii. Conditions under which options vested in employees may lapse in case of termination of employment for misconduct as per Clause 7.8 below or otherwise;
- viii. The procedure and terms for the Grant, Vesting and Exercise of Employee Stock Option in case of Employees who are on long leave in terms of Clause 6 below;
- ix. The lock-in period, if any, for the Shares issued upon Exercise of Options; and
- x. The procedure for cashless exercise of Employee Stock Options, if required/ feasible.

4.3 The Board shall also:

- i. Frame suitable policies and systems to ensure that there is no violation of applicable law by any Employee.
- ii. Approve forms, writings and/or agreements for use in pursuance of the ESOP.
- iii. Frame any other byelaws, rules or procedures as it may deem fit for administering ESOP.

5. Eligibility and Applicability

5.1 Only Employees are eligible for being granted Employee Stock Options under ESOP. The Employees to whom the Options would be granted and their Eligibility would be determined by the Board.

The process for determining the eligibility of the Employee for each grant of options will be specified by the Board at its own discretion and will be based on criteria such as seniority of Employee, criticality of the role, length of service, performance record, good feedback of peers and Reporting Manager, merit of the Employee, future contribution potential of the Employee and/or such other criteria as may be determined by the Board at its sole discretion for each grant. Such Eligible Employees, as determined by the board, may participate in the ESOP.

6 Vesting

The Employee Stock Options granted under ESOP shall vest in a minimum period of one (1) year and a maximum of five (5) years from the date of grant of the option. The exact proportion in which the options would vest shall be determined by the Board, subject to the minimum vesting period of one (1) year from the date of grant of options.

The Board, in its discretion, at the time of each Grant, may lay down certain performance metrics on the achievement of which the granted options would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which options are granted under ESOP would vest (subject to the minimum and maximum vesting period as specified above).

The Options would vest only if the Option Grantee continues to be in employment of the Company on the date that they are due to vest. No options would vest in case the employee has resigned and, in such case, the last working day shall be considered to be the cutoff date for vesting.

The Board, may on a case-to-case basis, consider amendment in terms of Vesting and Exercise of Option in case of an Employee on long leave. The Board may also consider grant of Options to an Employee on long leave on a case-to-case basis.

7 Exercise

7.1 The Exercise Price shall be the price payable by the employee for exercising the Options granted to him/her under the ESOP as may be decided by the Board from time to time, such price being not less than the then existing face value of the share of the Company.

The vested options will be exercisable by the Employee by a written application to the Company to exercise the options on full payment of Exercise Price and in such manner and on execution of such documents, as may be prescribed by the Board from time to time. The options shall lapse if not exercised within the specified exercise period. Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company, or in such other manner as the Board may decide.

7.2 The exercise period would commence from the date of vesting and will expire on completion of not more than five (5) years from such date of vesting of options as may be decided by the Board from time to time.

7.3 In the event of the death of an Employee while in employment with the Company, all the Vested and Unvested Options may be Exercised by the Option Grantee's nominees or legal heirs immediately after, but in no event later than twelve (12) months from the date of death.

7.4 In the event of separation of an Employee from the Company due to reasons of Permanent Incapacity while in employment, the Option Grantee may Exercise his Vested as well as Unvested Option immediately after Permanent Incapacity but in no event later than twelve (12) months from the date of separation from employment.

7.5 In the event of separation from employment for reasons of normal retirement or a retirement specifically approved by the Company,

- (i) all Vested Options should be exercised by the Option Grantee immediately after, but in no event later than twelve (12) months from the date of such Option Grantee's retirement, and
- (ii) all Unvested Options will stand cancelled as on the date of such retirement, unless otherwise determined by the Board whose determination will be final and binding.

7.6 In the event of separation due to resignation prior to retirement or due to termination of services for

reasons other than mentioned in clause 7.7 & 7.8 below, all Unvested Options on the last working day or date of termination, as the case may be, shall stand cancelled with effect from that date. However, all Vested Options as on that date shall be exercisable by the employee immediately but not later than three (3) months from the last working day or date of termination as the case may be.

7.7 In the event of abandonment of employment by an Option Grantee without the Company's consent, all Employee Stock Options granted to such employee, including the Vested Options, which were not exercised at the time of abandonment of employment, shall stand cancelled. The Board, at its sole discretion shall decide the date of cancellation of such options and such decision shall be binding on all concerned.

7.8 In the event of termination of the employment of an Option Grantee for misconduct or due to breach of policies or the terms of employment of the Company, all Employee Stock Options granted to such employee, including the Vested Options which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination.

7.9 In the event of separation of an option grantee from the employment due reasons other than those mentioned in clauses 7.3, 7.4, 7.5, 7.6, 7.7 or 7.8, all Unvested Options on the date of separation shall stand cancelled with effect from that date. However, all Vested Options as on that date shall be exercisable by the employee immediately but not later than three (3) months from the date of separation.

7.10 In the event, the Option Grantee is transferred or deputed to Subsidiary company with lien on their employment with the Company prior to Vesting or Exercise of Options, the Vesting and Exercise as per the terms of Grant shall continue even after such transfer/deputation.

7.11 The pricing for Grant of Option shall be in accordance with the applicable provision. The vested options can be exercised by the Employee, in one or more tranches during the applicable/available exercisable period as per the terms of grant of Options. The Option Grantee shall be subject to applicable disclosure requirements on allotment of Shares upon Exercise of Options and any other applicable compliances.

8. Other Terms and Conditions

8.1 The Employee shall not have a right to receive any dividend or to vote or in any manner or enjoy the rights and benefits of a shareholder (including rights to receive bonus or rights shares) in respect of Options granted, until Shares underlying such Options are issued on Exercise of such Employee Stock Option.

8.2 Options shall not be transferable to any person except in the event of death of the Option Grantee, in which case clause 7.3 would apply.

8.3 No person other than the Employee to whom the Employee Stock Option is granted shall be entitled to Exercise the Employee Stock Option except in the event of death of the Option Grantee, in which case clause 7.3 would apply.

8.4 The Options shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner by the Option Grantee.

9. Incidence of Taxes

9.1 All taxes / levies in respect of the Plan will be to the Employee(s) account.

9.2 The Company shall have the right to deduct from the Employee's compensation and /or any other dues payable, any of the Employee's tax obligations arising in connection with the Employee Stock Option or the Shares acquired upon the Exercise thereof. The Company shall have no obligation to deliver Shares or to release Shares from an escrow established, if any, in pursuance of the Agreement until the Company's tax deduction obligations, if any have been satisfied by the Option Grantee.

The Employees to whom this Plan will be applicable will authorize TKW Supply Chain International Limited:

- i. To withhold monies from salary and/or any other dues payable to such Employee(s) or former Employee(s) to meet tax and social security withholding obligations and/or
- ii. To recover directly from the Employee(s) or former Employee(s) the monies required to meet such obligations and/or
- iii. To dispose of all or a part of the Shares due to be issued or transferred to such Employee(s) or former Employee(s) on the exercise of an Option for the purpose of raising monies to meet such obligations.

9.3 The appropriate Income Tax laws and rules in force in each country shall be applicable.

10. Authority to vary terms

The Board may, if it deems necessary, vary the terms of ESOP , subject to the other Applicable Laws, and with shareholder approval, if needed.

11. Miscellaneous

11.1. Government Regulations

This ESOP shall be subject to all Applicable Laws, and approvals from regulatory authorities. The Grant of options and the issuance of Shares under this ESOP shall also be subject to the Company requiring Employees to comply with all Applicable Laws.

11.2. Inability to obtain authority

The inability of the Company to obtain authority from any regulatory body having jurisdiction, or under any Applicable Laws for the issuance and sale of any Shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of the failure to issue or sell such Shares.

11.3. The grant of an Options does not form part of the Option Grantee's entitlement to Compensation or benefits pursuant to his contract of employment nor does the existence of a contract of employment between any person of the Company, give such person any right, entitlement or expectation to have Options granted to that person in respect of any number of Shares or any expectation that Options might be granted to that person whether subject to any condition or at all.

11.4. Neither the existence of this Plan nor the fact that an individual has on any occasion been granted an

Employee Stock Option shall give such individual any right, entitlement or expectation that he has or will in future have any such right, entitlement or expectation to participate in this Plan or any other employee stock option scheme that may be formulated by the Company, by being granted Options on any other occasion.

- 11.5. The grant of Options shall not afford the Option Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the Company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).
- 11.6. The Option Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to exercise Options in whole or in part in consequence of the loss or termination of his office or employment with the Company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).
- 11.7. The Employee to whom the Plan will be applicable will also be bound by the company Code to be followed in respect of any Grant and related transactions under the Plan. Any willful violation of the said Code on the part of the Employee will result in the withdrawal/annulment of the relevant and/or all related transactions under the Plan in addition to any/all actions that would be taken under the company Code.

12. Notices

All notices of communication required to be given by the Company to an Option Grantee by virtue of this ESOP shall be in writing and shall be sent to the address of the Option Grantee available in the records of the Company and any communication to be given by an Option Grantee to the Company in respect of ESOP shall be sent to the address mentioned below:

TKW Supply Chain International Limited
R-551, First Floor, New Rajender Nagar, Central Delhi-110060, New Delhi, India
Tel. No.: +91-11-45155555
Email: cs@tkws.in

13. Governing Law and Jurisdiction

- 13.1 The terms and conditions of the ESOP shall be governed by and construed in accordance with the laws of India.
- 13.2 The Courts of New Delhi, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this ESOP.
- 13.3 Nothing in this Clause will however limit the right of the Company to bring proceedings against any Employee in connection with this ESOP:
- (i) In any other court of competent jurisdiction; or
 - (ii) Concurrently in more than one jurisdiction.